



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Mike Dunleavy, Governor*  
*Julie Anderson, Commissioner*  
*Robert M. Pickett, Chairman*

**Regulatory Commission of Alaska**

May 8, 2020

In reply refer to: Tariff Section  
File: TA519-18  
LO #: L2000182

Tony Izzo  
General Manager  
Matanuska Electric Association, Inc.  
P. O. Box 2929  
Palmer, AK 99645

Dear Mr. Izzo:

Matanuska Electric Association, Inc. (MEA) filed TA519-18 on March 31, 2020, seeking to update its Cost of Power Adjustment and Small Facility Power Purchase Rate. On May 7, 2020, the Regulatory Commission of Alaska approved Tariff Sheet Nos. 92.2 and 107, filed March 31, 2020, by MEA with TA519-18. The effective date of the tariff sheets is April 1, 2020.

Enclosed are validated copies of the approved tariff sheets.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Becki Alvey  
Tariff Section Manager

Enclosures

cc: Tyler Clark  
Manager, Financial Planning and Regulatory Affairs  
Matanuska Electric Association, Inc.  
P. O. Box 2929  
Palmer, AK 99645

**RECEIVED****MAR 31 2020**

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139th Revised

Sheet No 92.2STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**MATANUSKA ELECTRIC ASSOCIATION, INC.****COST OF POWER ADJUSTMENT**

(Continued)

**E. Determination of Cost of Power Adjustment**

Estimated costs beginning April 1, 2020:

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**(1) Cost of Fuel**

(1.10)	EGS - Hilcorp Alaska, LLC Fuel Gas (MEA-02, as amended)	\$9,965,871	R
(1.11)	Transportation Charges	\$528,523	R
(1.20)	EGS - Crowley Fuels LLC ULSD#2 Fuel (MEA-02D)	\$149,235	R
(1.30)	Reserved for Future Use	\$0	
(1.35)	Short-term Purchases of Natural Gas	\$0	
(1.40)	Total Cost of Fuel and Transportation	\$10,643,629	R
(1.50)	Projected Retail Sales (kWh)	171,022,000	R
(1.60)	Fuel Cost (per kWh)	\$0.06224	R

**(2) Cost of Purchased Power**

(2.10)	Bradley Lake Purchases	\$793,989	R
(2.11a)	Inter-utility Sales	\$0	
(2.11b)	Inter-utility Purchases	\$0	
(2.12)	Other Purchases	\$0	
(2.13)	Spinning Reserve Purchases	\$0	
(2.14)	Wheeling Charges	\$296,094	R
(2.15)	Independent Power Producer Energy Purchases	\$0	
(2.20)	Total Cost of Purchased Power	\$1,090,083	R
(2.30)	Projected Retail Sales (kWh)	171,022,000	R
(2.40)	Purchased Power Cost (per kWh)	\$0.00637	I

**(3) Cost of Power Balance Account**

(3.10)	Actual Balance as of December 31, 2019	(\$355,139)	T, I
(3.20)	Estimated Balance as of March 31, 2019	\$81,702	T, I
(3.30)	Balancing Account Estimate to be Recovered	\$81,702	I
(3.40)	Projected Retail Sales (kWh)	171,022,000	R
(3.50)	Balancing Account Estimate (per kWh)	\$0.00048	I

**(4) Total Cost of Power to be Recovered:**

(4.10)	Fuel Cost (per kWh)	\$0.06224	R
(4.20)	Purchased Power Cost (per kWh)	\$0.00637	I
(4.30)	Balancing Account Estimate (per kWh)	\$0.00048	I
(4.40)	Cost to be Recovered (per kWh)	\$0.06909	R

**(5) Base Cost of Power**

(5.10)	Base Cost of Power (per kWh)	\$0	
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**(6) Cost of Power Adjustment**

(6.10)	Line (4.40) Minus Line (5.10), (per kWh)	\$0.06909	R
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Tariff Advice No. 519-18Effective April 1, 2020Issued by: MATANUSKA ELECTRIC ASSOCIATION, INC.By:   
Anthony M. IzzoTitle: Chief Executive Officer

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## MATANUSKA ELECTRIC ASSOCIATION, INC.

## SCHEDULE NO. QF-1

GENERAL RULES AND PURCHASE AND SALE RATES FOR QUALIFYING  
FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS (Continued)RATES (Continued)

The method of determining the Small Facility Power Purchase Rate follows:

The Association will apply the historical cost of fuel and transportation, inter-utility purchases, and variable operations and maintenance expense from the three-month period used to project costs and sales in the Cost of Power Adjustment clause revision. This figure will be derived from fuel, transportation, and purchased power invoices; measurements of energy generated, sold, or purchased; and variable operation and maintenance expense applicable to the historical quarter. A ratio of kilowatt-hours sold to kilowatt-hours generated or purchased for the historical quarter will be used to convert the avoided fuel, transportation and inter-utility purchase expenses to a kilowatt-hour-sold basis. This calculation will then be added to the variable operation and maintenance expense to produce the Small Facility Power Purchase Rate.

All costs and kilowatt-hours generated or sold are from historical activity from the quarter used to project costs and sales in the Cost of Power Adjustment clause revision.

A. Total Cost of Fuel and Transportation	\$	14,215,928	I
B. Cost of Inter-Utility Purchases	\$	175,183	I
C. Generation from EGS (kWh)		203,808,119	I
D. Inter-Utility Purchases (kWh)		10,962,000	I
E. Total Generation and Purchases from All Sources (kWh)		227,477,972	I
F. Ratio of EGS Generation and Inter-Utility Purchases to Total Generation and Purchases from All Sources (C + D) / E		94.4%	I
G. Total System Sales (kWh)		208,326,641	I
H. Avoided Fuel, Transportation & Purchases (¢/kWh) (A + B) / (F x G)		7.317 ¢/kWh	I
I. Avoided Variable O&M (¢/kWh)		0.781 ¢/kWh	I
J. <b>Small Facility Power Purchase Rate</b> H + I		<b>8.098 ¢/kWh</b>	<b>I</b>

Tariff Advice No 519-18

Effective: April 1, 2020

Issued by: MATANUSKA ELECTRIC ASSOCIATION, INC.

By:   
Anthony M. Izzo

Title: Chief Executive Officer